



PSC NEWS

Missouri Public Service Commission

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MISSOURI-AMERICAN WATER COMPANY INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE (ISRS) CHANGE TO TAKE EFFECT

JEFFERSON CITY—The Missouri Public Service Commission has approved a request filed by the Missouri-American Water Company to adjust the infrastructure system replacement surcharge (ISRS) on the bills of its St. Louis County customers. Missouri-American Water Company first established an ISRS on customer bills in December of 2003.

Missouri-American Water Company sought the ISRS adjustment to reflect infrastructure replacement investments made during the first seven months of 2006 (approximately \$1.96 million). These costs are not currently included in Missouri-American's rates.

Currently, residential customers in the Company's St. Louis County service area pay an ISRS of 11 cents per 1,000 gallons of water used. The surcharge will increase to 16 cents per 1,000 gallons of water used. The change takes effect on October 23, 2006.

The infrastructure system replacements for which Missouri-American sought ISRS recognition are either: 1) mains and associated valves and hydrants installed as replacements for existing facilities that have worn out or were in a deteriorated condition; or 2) a main cleaning and/or relining project; or 3) infrastructure facility relocations due to the construction or improvements of a highway, road, street, public way or other public work required by or on behalf of the United States, the State of Missouri, a political subdivision of the State of Missouri, or another entity having the power of eminent domain.